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UTAH PUBLIC  
SERVICE COMMISSION

2014 AUG 13 P 1:15

RECEIVED

To: The Public Service Commission of Utah

From: Questar Gas Company

Copies To: Division of Public Utilities  
Chris Parker, Director  
Artie Powell, Energy Section Manager

Office of Consumer Services  
Michele Beck, Director

Rocky Mountain Power  
Kathryn Hymas, Vice President

Date: August 13, 2014

Subject: Questar Gas Company comments in Docket No. 14-035-T08 – Rocky Mountain Power's Proposed Revisions to Electric Service Schedule No. 111, Home Energy Savings Plan

### Background

On July 9, 2014 Rocky Mountain Power filed Advice No. 14-07, proposing revisions to Electric Service Schedule No. 111, Home Energy Savings Incentive Program. In its filing, Rocky Mountain Power proposed several new rebate measures for inclusion in their incentive programs. Additionally, Rocky Mountain Power proposed to modify some incentive amounts, equipment qualifications, delivery channels, and/or availability for some currently offered Home Energy Savings Program rebate measures.

### Issues

At issue is the discussion on Page 9 of the Cover Letter in Docket No. 14-035-T08 which states that a customer's previous water heater must "...be electric to be eligible for the heat pump water heater incentive." Sheet No. 111.6 contains similar language and requirements in regards to customer eligibility for the Heat Pump and Ductless Heat Pump rebate measures. Questar Gas Company agrees with this limitation and is supportive of the language used. However, Questar Gas is concerned that Rocky Mountain Power's marketing for these measures do not sufficiently inform customers of this limitation. Questar Gas surveyed three retailers selling heat pump water heaters in Salt Lake and Weber counties and found no marketing materials or paperwork defining rebate eligibility or limitations. Additionally, a recently e-mailed heat pump water heater marketing message (sent to a current Questar Gas water heating customer and included as Exhibit 1) was sent to customers with no discussion as to the rebate eligibility requirements. Furthermore the e-mail message appears to have been sent to selective customers based solely on the year a home was built and without concern for the customer's current water heater energy source. This kind of targeted marketing for heat pump measures is particularly troubling because of the potential for customer confusion and the possibility of inadvertently incentivizing fuel switching.

### Recommendations

Questar Gas Company recommends that the Commission require Rocky Mountain Power to:

- 1) Ensure all future marketing (e.g. online, print, e-mail, point-of-purchase, flyers, brochures, radio & television) related to Heat Pumps, Ductless Heat Pumps and Heat Pump Water Heaters clearly state that the rebate measure is available only to current Rocky Mountain Power customers with electric space and/or water heating.

- 2) Send any future e-mail marketing related to Heat Pumps, Ductless Heat Pumps and Heat Pump Water Heaters only to current Rocky Mountain Power customers with electric space and/or water heating.
- 3) Explain in Docket No. 14-035-T08 the systematic processes (other than "check box" assurance of previous electric equipment on rebate applications) that are currently in place and/or that Rocky Mountain Power intends to utilize to ensure rebates for Heat Pumps, Ductless Heat Pumps and Heat Pump Water Heaters are only paid to current Rocky Mountain Power customers with electric space and/or water heating.
- 4) If Rocky Mountain Power cannot provide proof and assurance that the above referenced restrictions will be enforced, Questar Gas requests that the Commission eliminate all Heat Pumps, Ductless Heat Pumps and Heat Pump Water Heater measures from the Home Energy Savings Program until such time that proof and assurance can be provided.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Orton", with a stylized flourish at the end.

Michael A. Orton  
Director, Energy Efficiency

## Exhibit 1

If you are having trouble reading this email, please [click here](#).

Please add [wattsmart@rockymountainpower.net](mailto:wattsmart@rockymountainpower.net) to your address book to ensure our emails reach your inbox.

# Hot water, hot offer



*Let's turn the answers on.*

### **Warm up to big savings on hybrid water heaters**

If your electric water heater is eight years old or older, now is the perfect time for an upgrade. Be wattsmart and through limited-time discounts you can switch to a super-efficient GE GeoSpring™ hybrid model for as little as \$399. That equals savings of approximately \$800 off the sticker price for one of the most efficient water heaters on the market. You'll also save big on your energy bill, up to \$325 a year.

This special offer combines Rocky Mountain Power wattsmart® incentives with limited-time credits and markdowns, some of which end December 4. Call **1-800-942-0266** for detailed instructions and follow these steps to receive the discounts:

- **Step 1:** Buy a qualified GE GeoSpring™ Hybrid Water Heater and receive instant rebates on your purchase. [Find a retailer in your area.](#)
- **Step 2:** [Hire a program qualified contractor](#) to install your new water heater.
- **Step 3:** Work with your contractor to complete the [wattsmart incentive application](#) and submit.
- **Step 4:** Apply for the available federal tax credit using [IRS Form 5695](#) (line 22a) and the [Manufacturer's Certification Statement](#).

For more information on this offer, please call **1-800-942-0266** or [visit our website](#).

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